

ANNEXATION: A MUST

FOR A

GROWING MEMPHIS

Memphis and Shelby County Planning Commission

September, 1967

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## INTRODUCTION

During the past twenty-five years the United States has become an urban nation. Today some seventy percent of the population lives in urban places and the proportion is expected to increase to eighty percent or more over the next twenty-five years.

Historically county, state and national levels of government have not been structured nor equipped to meet the needs of urban areas. Consequently, they could not respond effectively to the rapid and accelerating growth of urban areas. Under the Federal system of government, the solution of urban problems was left primarily to the cities - but too often the cities were not given the necessary authority, flexibility and revenue sources to meet these challenges. The situation is compounded by the fact that most of the more recent urban growth has occurred outside the older central cities in metropolitan areas.

Many cities are located in states where all land is incorporated (cities and townships) and do not have the legal power to annex. Others are hamstrung by legislative restrictions so severe that, for all practical purposes, expansion is prohibited.

These cities are not able to expand along with the rapid urban growth taking place around them. As a result they have suffered population declines, rapid obsolescence and corresponding losses in the tax base, and loss of key resident leadership. At the same time they are faced with mounting social overhead costs (education, health, welfare and crime) and the provision of many public services (streets, transit, parks, medical facilities, libraries, museums and other facilities) which benefit the entire metropolitan area.

Rapid urban growth, where expansion of cities is not possible or practical, results in the formation of new municipalities, the proliferation of special service districts, and various ad hoc arrangements for providing public services and facilities. This fragmentation of political responsibility, overlapping functions and duplication of service systems is the major local governmental problem facing most metropolitan areas today.

Orderly expansion of cities, such as Memphis, which have been able to annex has tended to minimize these and other growth problems. These cities have forestalled the strangling noose of incorporations and have provided necessary urban services for fringe-area residents. They have made the statement "what is urban is municipal" a fact.

## Memphis Annexation History

Annexation is the method, legally defined in state statutes and city charters, by which a city extends its corporate limits. It is a tool which a city can use to generate growth opportunities as well as meet growth problems.








By using this tool, the City of Memphis has grown to its present size of nearly 180 square miles, containing a population of some 540,000. It has followed an orderly, continuing annexation program throughout most of its history, and has achieved uniform excellence in the provision of public services and facilities.

### Prior to 1900

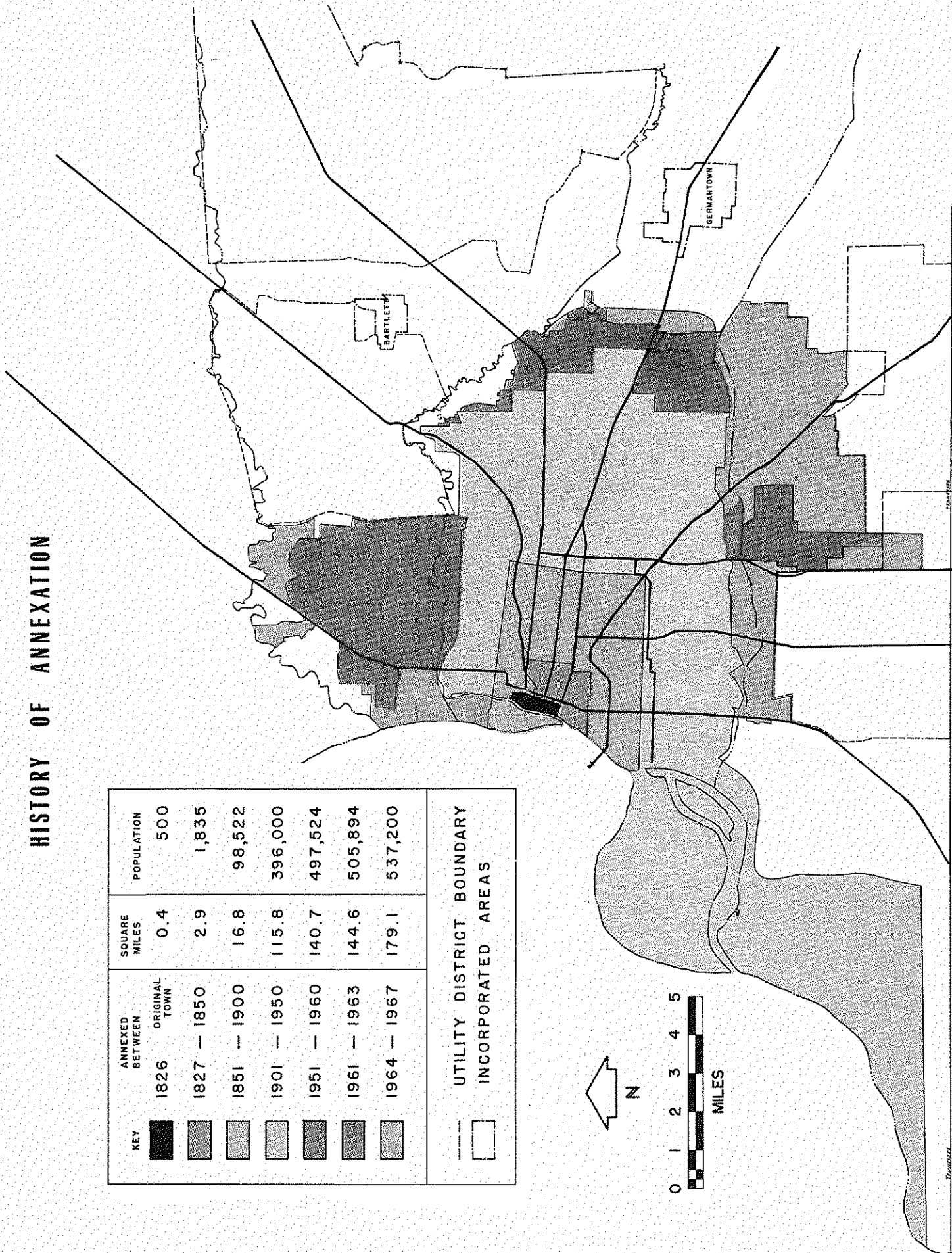
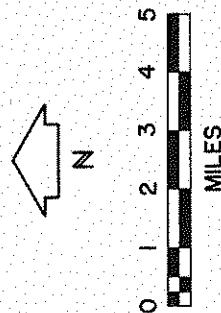
The original town plat was laid out in 1819 for land owned by John Overton, James Winchester, and Andrew Jackson. The City did not receive its charter, however, until 1826 - after which it grew rapidly. Annexations in 1832, 1848 and 1849 increased the size of the original town site by nearly six times (to about three square miles in area).

The Civil War and Yellow Fever epidemics resulted in erratic growth during the next fifty years. In 1870 small areas at the north and south edges of the City were annexed.

# HISTORY OF ANNEXATION

KEY	ANNEXED BETWEEN		SQUARE MILES	POPULATION
	1826	ORIGINAL TOWN		
	1827 - 1850		0.4	500
	1851 - 1900		2.9	1,835
	1901 - 1950		16.8	98,522
	1951 - 1960		115.8	396,000
	1961 - 1963		140.7	497,524
	1964 - 1967		144.6	505,894
			179.1	537,200

--- UTILITY DISTRICT BOUNDARY  
 □ INCORPORATED AREAS



By 1899 the recovery, which began about 1880, was complete and more than twelve square miles were added that year, mostly to the east. This brought the total incorporated area to more than sixteen square miles, with a population of about 100,000.

#### 1900 to the Present

Between 1901 and 1950, the City annexed adjacent areas in nine different years. Relatively small areas were annexed in 1909, 1913, 1917, 1919, 1928, and 1944. Major annexations took place in 1929 (more than twenty square miles) and in 1947 (more than forty-six square miles, including Presidents Island and Ensley Bottoms). In 1950 more than eighteen square miles and some 54,000 people were added to the City.

Since 1950 approximately sixty-one square miles and 138,000 persons have been brought into the City by annexation. The largest of eleven additions during this period were the Frayser area in 1958 and the Parkway Village-Oakhaven areas in 1965, a combined total of more than 39 square miles and more than 34,000 persons.



### Annexation Results

At present the major portion of the metropolitan area - Shelby County - has a uniquely uncomplicated governmental structure: one county, six municipalities and six utility districts (the two school systems, City and County, are not counted as governmental jurisdictions because they do not have separate taxing powers). This is a result of annexation by Memphis and cooperative City-County programs, such as sewer extensions, in anticipation of annexation by the City. It also reflects favorable legislation, which is permissive with respect to annexation and restrictive with respect to incorporation within five miles of the City.

If Memphis had refused to recognize its responsibilities to provide a high level of urban services through annexation, it undoubtedly would be ringed today with a number of municipalities. Each would be competing for a high revenue producing tax base; each would have its own political, administrative and service systems; and, area-wide problems would be as far from solution as they are in most metropolitan areas. Arguments that "the city is large enough", "we don't need to grow any more" and "things will become unmanageable" were countered successfully by men of vision who knew that Memphis would become a great city; that freezing the city limits would not stop urban growth, and that this growth would have to be served.

### Future Prospects

The same arguments, as well as others, against further annexation are still heard today, but the reason for continued expansion by the City is even more compelling: as much growth will occur within the next twenty-five years as occurred in the last 140 years. An urban area containing more than 1,300,000 people is anticipated, nearly a doubling of the present population - but compressed into an extremely short time period. The challenge is to meet adequately the needs for urban services this growth will bring - in the most efficient and economical manner possible.

The series of annexation studies produced by the Planning Commission pointed the way to meeting this challenge. These reports contained recommendations for annexing most of the presently unincorporated urban area adjacent to Memphis, timetables and cost estimates for providing services, and estimates of the impact of annexation on each area studied.

This is the final report in the current series on annexation. It contains a review of the progress made during the last three years, a re-examination of the four study areas which have not yet been annexed (Westwood, Whitehaven, Raleigh and Memphis-East), recommended priorities and a time schedule for annexing these areas, and an annexation policy for the City of Memphis.

## ACCOMPLISHMENTS

In July, 1964 work began on the annexation study which had been requested by the Memphis City Commission. The purpose of the study was to examine the urbanized area bordering the City to determine the need for and feasibility of annexation. The total study area was defined as the adjacent urbanized area plus the remainder of those utility districts which are part urban and part rural.

### Study Area Reports

Using available data on population, level of development and other existing conditions, this area was divided into ten sub-areas for purposes of detailed study. Analysis of each study area included:

- general characteristics (population, land use, physical features, etc.).
- current provision of urban services (level, unit of government, adequacy).
- additional urban services required (increased level of current services, new services to be provided).
- plan for urban services to be provided by the City following annexation (operations and capital improvement items).
- cost estimates for providing services (total capital costs, debt service requirements, operating costs).

- revenue estimates (City portion of property taxes, state aid funds, vehicle fees, franchise taxes).
- estimates of difference in costs to residents (property taxes, utilities, fees, etc., before and after annexation).
- conditions unique to a given study area (utility district acquisition, problems in service extensions, blight).






As more complete information was obtained, adjustments were made in study area boundaries; reports eventually were prepared for sixteen sub-areas. In addition to the factors outlined above, each report contained recommendations regarding the feasibility and timing of annexation. Special attention was given to the need for further planning and negotiations prior to annexation of several areas; primarily regarding transition in school services, acquisition of the Whitehaven and Raleigh Utility Districts, and preparation of more detailed service-program plans.

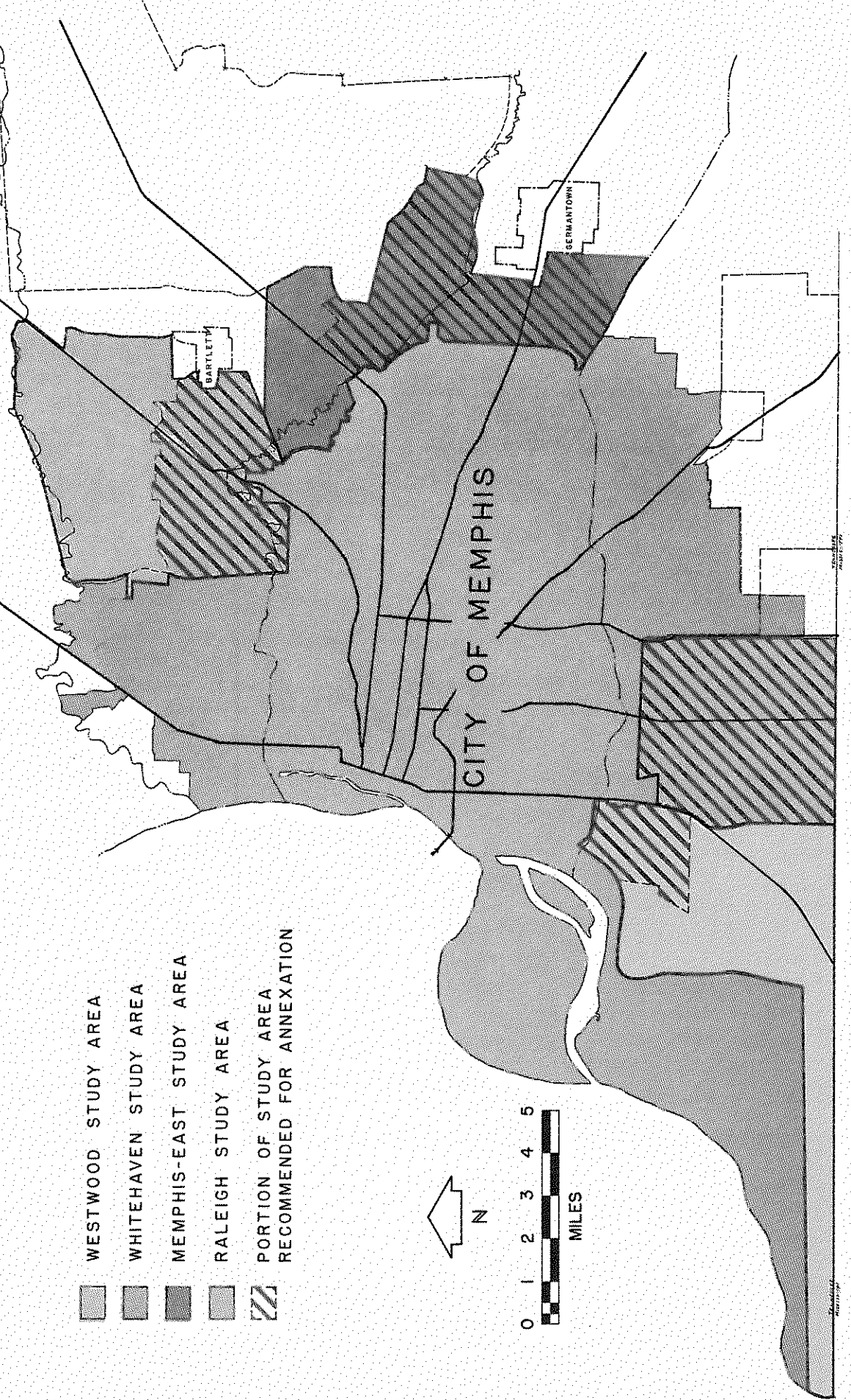
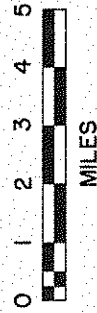
### Implementation

#### Annexations from July, 1964 - January 1, 1967

The sixteen study area reports covered a total area of 133 square miles, having an estimated population of 105,000. These reports contained recommendations for the annexation of approximately 107 square miles and an estimated population of 104,000 persons.

# ANNEXATION STUDY AREAS

-  WESTWOOD STUDY AREA
-  WHITEHAVEN STUDY AREA
-  MEMPHIS-EAST STUDY AREA
-  RALEIGH STUDY AREA
-  PORTION OF STUDY AREA  
RECOMMENDED FOR ANNEXATION



As of January 1, 1967, thirteen ordinances, annexing 34.66 square miles and an estimated 31,300 people, had been adopted by the City Commission. This represents implementation of one-third of the proposed annexation program within two and one-half years. Table I shows a summary of the actions taken by the Planning Commission and City Commission with respect to each study area.

#### Provision of Services

State annexation statutes under which the City of Memphis operates require that a plan for services be adopted for each area annexed, if the unilateral method is used (annexation by ordinance). These plans for services must indicate the type, amount and timing of the services to be provided following annexation.

Each study area report contained an analysis of service requirements. Recommendations were presented regarding extension of services to meet the "reasonable time" provision in the statutes. For the smaller study areas, the recommended period of time within which services were to be provided usually was one to three years. Scheduling of services for the larger areas was based primarily on a five-year time period.

TABLE I

Actions Taken on  
Annexation Studies

July, 1964 - January, 1967

Study Area	Planning Commission		City Commission		Annexation Effective	Area in Sq.Miles	Estimated Population
	Report Completed	Report Approved	Action	Final Reading of Ordinance			
East Memphis	7/64	8/ 5/64	Adopted	9/ 8/64	9/ 8/64	1.35	1,840
Alcy Road	7/64	8/ 5/64	Adopted	9/ 8/64	9/ 8/64	0.51	1,800
Airport South	8/64	9/ 3/64	Adopted	9/ 8/64	9/ 8/64	1.66	1,185
North Frayser	9/64	10/ 1/64	Adopted	12/ 1/64	1/ 1/65	1.53	1,675
Parkway Village	9/64	10/ 1/64	Adopted	12/ 1/64	1/ 1/65	13.33	13,730
Oakhaven West	9/64	10/ 1/64	Adopted	12/ 1/64	1/ 1/65	1.97	4,500
Oakhaven East	9/64	10/ 1/64	Adopted	12/ 1/64	1/ 1/66	1.64	590
Airport West	12/64	12/17/64	Adopted	12/29/64	1/ 1/65	0.23	440
Westwood	12/64	12/17/64	-	12/29/64	-	30.84	26,220
*Brooks Road	-	-	Adopted	11/30/65	1/ 1/66	3.72	710
*Barton Equip.	-	-	Adopted	6/ 8/65	6/ 8/65	0.003	0
Brierwood	12/64	12/17/64	-	-	-	0.28	220
*CBHS	-	-	Adopted	2/23/65	2/23/65	0.05	0
Whitehaven	4/65	5/20/65	-	-	-	19.74	36,600
Frayser - West	6/65	6/ 3/65	Adopted	8/17/65	8/17/65	5.50	310
*Firestone Park	-	-	Adopted	10/ 4/66	10/ 4/66	0.53	0
Hillmont	7/65	8/19/65	Adopted	10/12/65	10/12/65	0.013	135
Raleigh	10/65	11/ 4/65	-	-	-	12.70	12,000
John's Creek	12/65	12/23/65	Adopted	1/ 4/66	1/ 4/66	0.46	13
Heritage Colony	1/66	1/20/66	Adopted	4/ 5/66	1/ 1/67	0.19	0
Memphis-East	5/66	6/16/66	-	-	-	24.4	3,800

\*Note: Area annexed was part of a larger area included in Planning Commission study.



Police and fire protection, refuse collection and disposal, code enforcement, and similar services were scheduled to start in each area immediately. Capital improvements were scheduled to begin during the first year following annexation, with certain major improvements such as drainage and less urgently needed thoroughfare construction recommended for an indefinite period after five years (corresponding generally to current City capital improvement priorities).

These analyses and recommendations were the basis for resolutions adopted by the City Commission regarding the provision of services in each area annexed to date. Original cost estimates from the studies have been compared with actual expenditures to determine the degree to which these commitments are being met.

Operating Costs. Estimated annual operating costs for the areas annexed between July, 1964 and January, 1967 totaled \$1,764,000. This includes salaries for personnel, supplies and equipment, maintenance and similar items normally included in the City's operating budget. Review and analysis of the operating budget for 1965 and 1966 indicate that actual increases in operating costs assignable to annexation were some 10-15% higher than the original estimates.



This difference can be attributed to three factors primarily:

- cost accounting is not maintained within the operating budget and expenditure statements which separate those costs directly related to annexation from overall operating costs; an estimating procedure had to be used.
- higher wage scales, general price increases and growth within the annexed areas contributed to higher actual costs; effects of inflation and growth were not estimated originally.
- changeover from calendar-year to fiscal-year budgeting and accounting by the City in 1966 which complicated the comparison between the original estimates and actual costs.

The estimate of actual expenditures indicates that the level of operating services originally proposed is being provided. The lack of numerous complaints and the apparent general satisfaction with the services received by residents are evidence of the rapid and smooth transition made in nearly all of the annexed areas.

Operating costs resulting from annexation should be viewed also from the perspective of overall City operating costs: \$36,625,000 in 1964; \$42,761,000 in 1965; and, \$47,812,000 in 1966. Proportionately, annual operating costs in the annexed areas represented only about 4.0 - 5.2% of the City operating budget, depending on the year with which the comparison is made, or about one-third of the annual increases in the budget.

Capital Improvements. Accounting for the cost of capital improvements, and thereby obtaining a measure of the progress made in the annexed areas, was less complicated than for operating costs. Actual contract awards committed \$4,741,000 to the installation of public facilities in newly annexed areas by the City between January, 1964 and July, 1966. Table II shows the comparison between capital improvement needs, as identified in the studies, and actual expenditures during this period.

The review of capital expenditures and unit costs indicate some variation from the original estimates, but not enough to be significant overall. There was a balancing effect, with costs for streets and fire protection facilities running 10 - 15% higher and sewers about 15% lower than estimated. Table II also shows the actual cost of certain additional improvements, which were not originally anticipated in the study area reports.

During 1964 and 1965, the last two full fiscal years for which data are available, the City spent a total of nearly \$32,000,000 for capital improvements. Thus the expenditures for facilities in the newly annexed areas represented less than 10% of the total capital improvement outlay of the City since 1964.

TABLE II

Comparison of Estimated Costs and Actual Expenditures  
for Capital Improvements in Areas Annexed  
Between January, 1964 and January, 1967

<u>Facility</u>	<u>Cost Estimates from Studies</u>	<u>Expenditures for Projects Included in Study Estimates</u>	<u>Percent of Estimated Cost Expended</u>	<u>Expenditures for Projects Not Included in Study Estimates</u>
Streets	\$ 5,174,400	\$ 970,000	19%	-
Drainage	5,114,900	360,900	7%	-
Sewers	1,360,000	1,179,600	87%	-
Refuse Trucks	80,000	80,000	100%	-
Fire Hydrants	450,000	348,000	77%	\$ 86,000
Fire Stations	885,000	575,000	65%	232,000
Fire Trucks	440,000	468,000	106%	35,000
Fire Alarm System	422,000	134,000	32%	-
Parks	355,000	122,500	35%	-
Library	<u>175,000</u>	<u>150,000</u>	<u>100%</u>	<u>-</u>
Totals	<u>\$14,456,300</u>	<u>\$ 4,388,000</u>	<u>30%</u>	<u>\$ 353,000</u>
Annual Debt Service	<u>\$ 835,000</u>	<u>\$ 253,000</u>	-	<u>\$ 20,400</u>

Schools. Within the areas annexed since 1964, six new schools have been constructed, are under construction, or are being designed. This represents 100% of the facilities needed initially, as presented in the study reports.

Of these facilities, one is a high school, one is a junior high school, and four are elementary schools. All are located in the Parkway Village area. In addition, eight classrooms and additional facilities are being added to former County schools to provide adequate space to serve the needs of the newly annexed areas.

#### Resolving Service Problems

Any major annexation effort causes some problems and focuses attention on others which cannot be solved immediately. Those encountered during the recent annexations were involved primarily with timing and schools, and included:

- confusion in the East Memphis area at the start of the 1964 school year concerning attendance at City or County schools.
- failure to include the East Memphis area in a City ward for the 1964 election.
- school transportation problems in the Parkway Village and Oakhaven areas.
- time lag involved in the preparation of detailed plans, ordering equipment and letting contracts.
- backlog of capital improvement needs, such as drainage.

Although service needs were identified in each of the study area reports, the analyses were not intended to provide detailed blueprints for extension of services. The experience gained from these annexations shows clearly that timing is an important consideration. It emphasizes the need for adoption of a Resolution of Intent to precede actual annexation of an area by at least six months to a year.

This amount of time is required for operating departments and the Boards of Education to plan properly for the transition to full City services; to prepare architectural and engineering plans, to acquire rights-of-way and sites for public buildings, to order equipment, and to include funds to cover the costs of annexation in the City operating and capital budgets.

In general, service problems have been minimized recently in the fringe areas surrounding the City of Memphis. Two primary reasons for this are: cooperative City-County programs to provide an urban level of services and facilities as growth occurs; and, subdivision regulations which require installation of site improvements as areas are developed. Thus the City is not faced with the extreme pressures for "instant services" as was the case previously and is the case in many other urban areas.

### Cost to Residents

Estimates of the difference in costs to residents were made, because of the concern often expressed about how much it will cost them to be annexed. It was found that owners of residential property could expect increases somewhat proportional to its value. Ranges in cost were:

- a slight decrease to an increase in cost of \$0.25 - \$3.50 per month for property valued at less than \$15,000.
- an increase in cost of \$2.50 - \$7.00 per month for property valued at \$15,000 - \$20,000.
- an increase in cost of \$5.75 - \$11.50 per month for property valued at \$25,000 - \$35,000.

Considerable variations were discovered among the different areas studied and within study areas. These estimates were based on actual samples of utility bills and insurance rates. They have proved reliable and have helped property owners recognize that the increase in property taxes following annexation is offset in part by reductions in utility bills, service charges and fire insurance rates.

One omission in all of the study area reports, however, was the cost of installing sidewalks after annexation. This cost is approximately \$1.75 - \$2.35/lineal foot and would cost the owner of a 70-foot lot \$122.50 - \$164.50. This is payable to the contractor immediately if the owner has the sidewalk installed. The cost is added to the owner's tax bill if the City has the sidewalk installed.

## Revenue

While the cost-revenue relationship should not be the primary concern in annexation decisions, it properly has a bearing on the amount of area and the speed with which annexation can proceed. Revenues were estimated conservatively in the study areas. They included only property taxes, state-shared taxes, auto taxes, and telephone franchise taxes. No attempt was made to project revenues based on future growth nor to estimate the amount of funds to be received from a variety of miscellaneous fees and charges (permits, licenses, etc.).

As with operating costs, it is difficult to determine accurately the amount of revenue collected by the City as a result of annexation. The original estimate for the areas annexed since July, 1964 totaled \$1,889,000 annually. Based on current assessments, revised state-shared tax formulas, and estimating procedures, total annual revenues from these areas at present is running at about \$2,577,000 annually, or some thirty-six percent higher than the original estimates.

Assessed value added to the City as of the dates of annexation of each area during this two and one-half year period was \$71,304,000. Development in these areas since annexation has increased this amount to \$104,902,000. Thus, fifty-five percent of the increase in total assessed value of the City for this period resulted directly from annexation and continued growth in the annexed areas.

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A significant increase in state-shared taxes should be noted also: from \$12.00 per capita in 1964 to \$14.00 per capita at present.

In most of the areas annexed since 1964, future development will increase revenues at a much greater rate than costs to the City. The annual revenue-cost ratio of 1.15:1.00 will improve in the future, emphasizing the weakness of the argument that "the City can't afford to annex any more".

## PRIORITY DETERMINATION

Action remains to be taken on annexation of the Memphis-East, Raleigh and Whitehaven study areas, and the major portion of the Westwood area. The reports prepared for these areas contained recommendations that some 75 square miles and 80,000 people be annexed.

Analysis of conditions in these areas resulted in recommendations that only about one-half of each, except Whitehaven, be considered for early annexation; annexation of the entire Whitehaven area at one time was proposed. The most urgent service need identified was for fire protection in the Brooks Road and Mitchell Road sub-areas (Westwood).

The only part of the four areas annexed to date has been 3.7 square miles in the Westwood area, containing some 710 persons: the entire Brooks Road sub-area and a small part of the Mitchell Road sub-area. Effective date of this action was January 1, 1966.

The reports and recommendations for these four areas were prepared during and shortly after the annexation of Parkway Village, Oakhaven and several smaller areas; actions which had committed the City to major service extensions and investments in capital improvements. These commitments and the major problems involved in attempting to annex the remaining areas all at one time pointed clearly to the need for establishing priorities and a firm time schedule for further annexations.

The recommendations pertaining to the Memphis-East, Raleigh and Whitehaven, and the remainder of the Westwood study areas stated, in effect, that annexation should await a determination of priorities and the establishment of a time schedule; this work to be done after completion of the individual study area reports for all of the areas. A policy framework was needed within which the relative merits of annexing each area could be determined.

#### Alternative Approaches

Several different positions can be taken and approaches used to determine a system of priorities:

- defensive position; an indication of no special urgency in meeting service needs; City would respond rather than initiate, primarily to threats of incorporation or annexation by other municipalities.
- neutral position; response to demands for annexation and services but no initiative action by City.
- positive position; annexation would be initiated by the City according to identified urgency of service needs; a positive annexation effort to solve the greatest service problems first, leaving the relatively better served areas for subsequent action.
- positive position; initiation of annexation according to the ability of each area to most nearly "pay its own way"; annexation of the high value, least service problem areas first, leaving those with least value and greatest service needs until later.

Undoubtedly, there are other approaches to deciding if, when and in what order areas should be annexed. The first two presented ("defensive" and "neutral") would indicate the absence of a clearly defined policy favoring orderly, continuing annexation. The City already has taken a "defensive" stance, at least temporarily, with respect to the Memphis-East and Whitehaven areas; annexation of the Memphis-East area if the City of Germantown begins to annex in this direction, and annexation of Whitehaven if that area moves toward incorporation. On the other hand, the City has yet to take even a "neutral" stance with respect to the Mitchell Road sub-area (Westwood study area), where the residents have been asking for annexation and City services for several years.

The "if" of annexation remains a major consideration in the defensive and neutral positions. While they may have some merit for a short period of time during a major annexation effort, they are not appropriate criteria for an orderly, continuing annexation program. These two positions have value only in the short run and only because it is not possible, usually, to annex all of the urbanized fringe at one time.

The determination of a system of priorities as a step in developing an annexation program should remove the "if" from consideration. The important questions then become those of purpose, timing and sequence. Thus, the decision should be made between the two "positive" positions, or they should be used in combination.

### Services Approach

The first "positive" position discussed above focuses attention on the provision of urgently needed public services as the primary reason for annexation. The basis for this approach is the conviction that a city "serves to exist and exists to serve." The City is in the services business; that is its function and reason for being. Top priority under this criterion, therefore, would be annexation of the areas which most urgently need services. Lowest priority would be given to the areas which already are provided with a relatively greater amount of urban services.

A refinement of this approach is to decide which urban services are most essential to permit a rating or ranking of those areas which already have varying levels of these services. Normally, protection of life and property (police and fire protection) are placed at the top of the scale. Others, in generally accepted descending order, are: maintaining public health (water, sewers, refuse disposal, etc.); education (schools, libraries, museums, etc.); recreation; improving transportation and traffic circulation; environmental controls (construction codes, zoning, etc.); and, the large number of miscellaneous services, many of which are now taken for granted in urban areas.

On this basis, the four remaining study areas should be annexed in the following order: Westwood, Memphis-East, Raleigh and Whitehaven. Documentation is found in the four study area reports in the sections on current levels of services provided.

### Revenue Approach

An approach often used is that of annexing areas which show, or are likely to show in the shortest possible time, a favorable revenue-cost balance. Such areas have relatively high assessed values compared to the cost of extending services.

The former gap between "profitable" and "unprofitable" areas has been closed greatly in recent years. Since 1956 areas outside the city limits generally have been provided with water, sewers, drainage, streets, curbs and gutters and other basic improvements as they were developed.

The cooperative City-County interceptor sewer program, firm policies against large scale development with septic tanks and wells, and installation of improvements required under the Subdivision Regulations have shifted the cost of these facilities from the general public to the benefitting developer (ultimately the benefitting homeowner).

Based only on the most favorable ratio of estimated annual revenues to estimated annual costs, the four remaining study areas would be annexed in the following order: Whitehaven, Memphis-East, Raleigh and Westwood. Documentation is provided in the Appendix, which shows updated revenue-cost estimates for each area.

Compact urban development can be served more efficiently and economically than can scattered suburban development. The present levels of development and development trends in the four areas strengthen the order of priority presented in terms of costs and revenues. As growth continues in these areas, improvements installed by developers and City-County programs will reduce further the capital outlay requirements for the City immediately following annexation.

#### Additional Considerations

Both the "services" and the "revenue" methods of evaluating individual areas are valid up to the point of considering interrelationships between areas. Annexation of one area alone might be justified in terms of the criterion used. It could have a definite bearing, however, on the efficiency and economy of providing services in that area and later to an adjacent area.

An example of this is the interrelationship between the Whitehaven and Westwood areas. The west boundary of the Whitehaven Utility District is a somewhat arbitrary line following Horn Lake Road and U.S. Highway 61; there is no major natural or man-made barrier separating the two areas. Therefore, the provision of certain services must be considered for the two areas combined: i.e., fire protection, schools and parks. These and other service areas necessarily would cross the

present utility district boundary. Annexation of either of the two areas, therefore, must be considered in light of annexation of the other, if services are to be extended efficiently and provided economically.

On the other hand, Memphis-East and Raleigh can be evaluated correctly as unrelated areas because of their location and physical boundaries. Wolf River, Nonconnah Creek, and Interstate Highways 240 and 40 provide definite physical boundaries which also would become logical service-area boundaries. The annexation of one of these areas has no bearing on the other in terms of coordinating extensions of public services.

Another important consideration concerns timing more than order of annexation. If the City is to meet its service obligations to an annexed area, it cannot overextend itself by annexing too much developed territory at one time or too rapidly. Overextension in this context refers to administration, recruitment of personnel, ordering equipment, constructing facilities, transition from utility district operations, and changeover to the City school system - not expenditures at a greater rate than revenue received from the areas. Thus, an annexation program covering several years is needed to bring the remainder of the fringe areas into the city. Adoption of a firm annexation policy will permit the City to catch up and then to annex continuously in the future without facing a large backlog of service requirements.



### Recommended Priorities

It is recommended that the four remaining study areas be annexed in the following order. This recommendation is based primarily on the "services" approach but modified by the need to coordinate the provision of certain services:

1. Mitchell Road Sub-Area (Westwood).
2. Levi Road Sub-Area (Westwood).
3. Memphis-East (south of Wolf River).
4. Whitehaven.
5. Remainder of Westwood.
6. Raleigh.
7. Memphis-East (north of Wolf River).

### Recommended Time Schedule

Adoption of a firm time schedule by the City now can result in the orderly annexation of these areas and provide adequately for the extension of services in an efficient and economical manner. No provision was made in the City's current fiscal year budget (July 1, 1967 - June 30, 1968) for extending services to areas annexed during this period. In addition, detailed operations planning by City departments has been deferred until the priority and time schedule recommendations were submitted to and acted upon by the City Commission. This would have required a major commitment of time and effort by these departments, without reasonable assurance that the plans and programs would be carried out.

In view of these considerations and the changeover in the form of City government which will take place on January 1, 1968, it is recommended that the following time schedule (effective dates of annexation) be adopted and implemented:

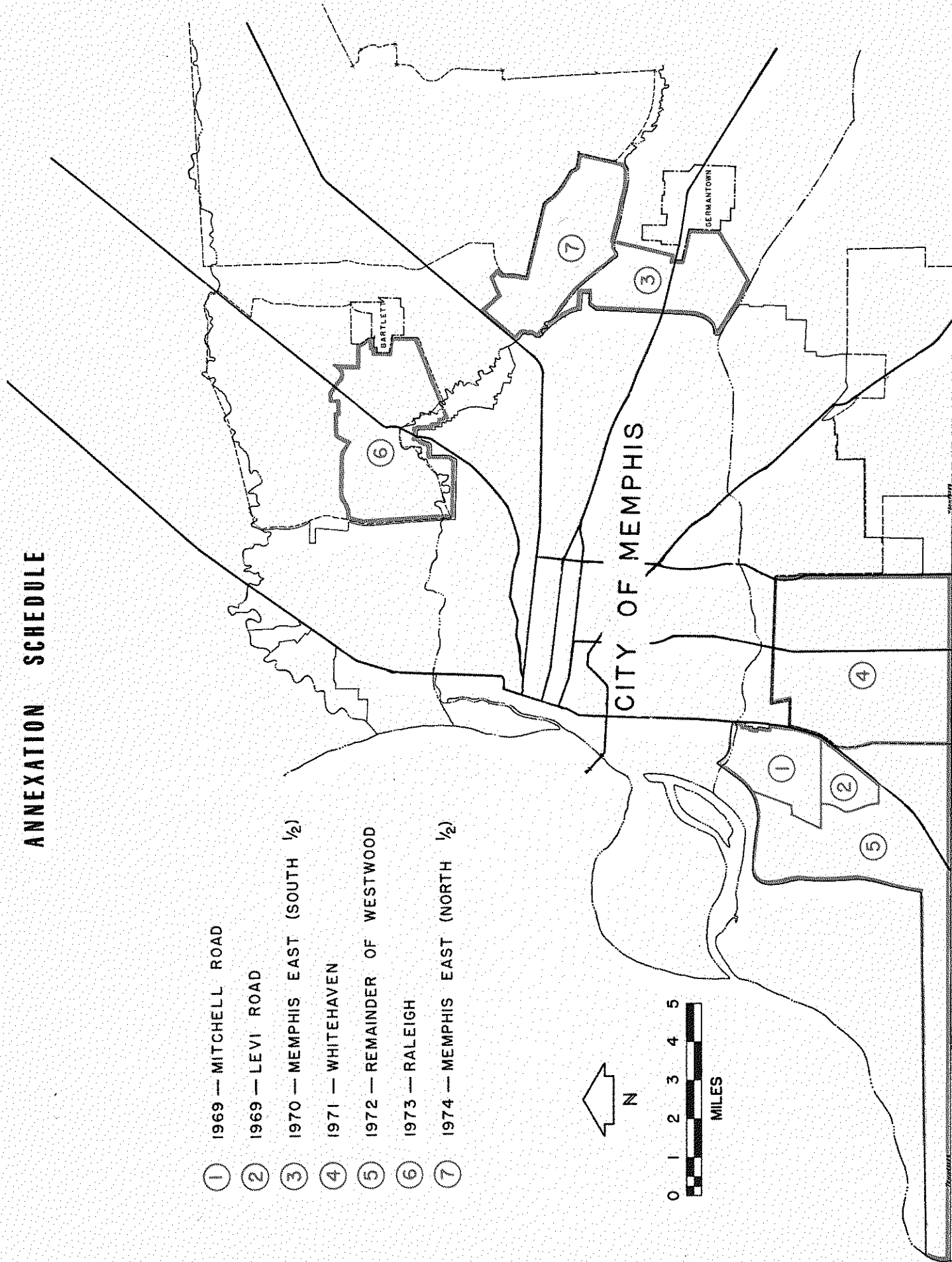
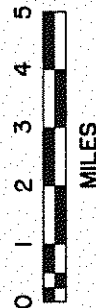
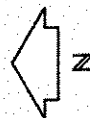
1. Mitchell Road Sub-Area - January 1, 1969  
(Westwood)
2. Levi Road Sub-Area - January 1, 1969  
(Westwood)
3. Memphis-East - January 1, 1970  
(south of Wolf River)
4. Whitehaven - January 1, 1971
5. Remainder of Westwood - January 1, 1972
6. Raleigh - January 1, 1973
7. Memphis-East - January 1, 1974  
(north of Wolf River)

The following map shows the location of each area and the proposed date of annexation. It is recommended that a single Resolution of Intent be adopted at this time to make this program part of the official annexation policy of the City. It would have to be brought up before the new City Council after January 1, 1968 (and the succeeding Council) for ratification, with or without modification.

Adoption of such a Resolution of Intent would give sufficient notice to the people in each area, City departments, the Boards of Education, and the utility districts to prepare adequately for annexation. This action would remove the "if" from annexation and commit the City to a "positive", orderly program of growing along with the urban area.

# ANNEXATION SCHEDULE

- ① 1969 — MITCHELL ROAD
- ② 1969 — LEVI ROAD
- ③ 1970 — MEMPHIS EAST (SOUTH 1/2)
- ④ 1971 — WHITEHAVEN
- ⑤ 1972 — REMAINDER OF WESTWOOD
- ⑥ 1973 — RALEIGH
- ⑦ 1974 — MEMPHIS EAST (NORTH 1/2)



During this period, the City should continue annexing to the southeast (beyond Fox Meadows) as that area develops. These annexations would be relatively small and would not require substantial commitments of service extensions and funds at any given time.

The City and the Shelby County Board of Public Utilities should begin working toward removing the roadblock to annexation caused by the existence of the Southeast Memphis Suburban Utility District. The most feasible approach might be to dissolve the utility district with the County Board of Public Utilities assuming jurisdiction and providing services in the area. This would permit future annexation by the City into the area presently served by the district without having to annex the entire district and/or assume all of its assets and liabilities at one time.

#### Possible Adjustments

Certain factors might require adjustments in the recommended order of priority and time schedule. They include:

- a move towards incorporation of any of the areas.
- a move by the City of Germantown to annex west from its present city limits.
- acceleration of the rate of growth requiring a higher level of urban services in the Raleigh and part of the Westwood areas.
- development of the Penal Farm property and the need for urban services in that area.

The Planning Commission should be assigned the responsibility of evaluating progress made toward the annexation program goal, rates of development in each area, and needs for adjustment in priorities or timing. The Planning Commission would give the Mayor and Council additional data and recommendations by March 1 each year. This would permit full consideration of any changes in the order of priority, timing, and service requirements during preparation of the annual budget.

#### Capital Improvement Programming

The size of the proposed annexation program and the length of time over which it is proposed to be carried out underscore again the critical need for a City capital improvement program. Projecting capital improvement and fiscal requirements five years in advance, and reviewing and extending the program annually, is the only way that the City can ensure the provision of capital improvements on an equitable basis to meet both current city and annexed area needs.

The data obtained from the City operating departments and Board of Education, along with the annexation program proposed, provide the foundation for preparation of such a program. The City can no longer afford to program and finance capital improvements on a year-to-year basis, with no long range fiscal policy and shorter range capital program.

## ANNEXATION POLICY

Adoption of the recommended annexation program will ensure the continued expansion of the City of Memphis and provision of an adequate level of services throughout the urban area. The lack of a continuing, orderly annexation program has created the backlog which exists today. The same situation will be created again in the future if the City does not adopt and maintain a firm, long range annexation policy.

It is recommended, therefore, that the following policy be adopted by the City Commission to provide a sound basis for future expansion of the City:

### RESOLUTION

WHEREAS, the Memphis and Shelby County Planning Commission has prepared and forwarded to the Mayor and Board of Commissioners of the City of Memphis, Tennessee, a series of annexation studies containing recommendations for implementation; and

WHEREAS, the Planning Commission in its latest annexation study report entitled Annexation: A Must for a Growing Memphis (September, 1967) has recommended priorities and a firm time schedule for annexation of the developed and developing fringe areas adjacent to the City of Memphis; and

WHEREAS, the Memphis urban area does not have many of the problems confronting most cities in the nation created by fragmented local government, overlapping governmental jurisdictions, and costly and wasteful duplication of public services and facilities; and

WHEREAS, the concentration of residents, business and industry creates urban problems involving health, safety and economic well-being, and the demand for a uniformly high level of municipal-type services to maintain an adequate living environment; and

WHEREAS, it is essential that all interests in the Memphis urban area work toward a common objective for the future of the area; and

WHEREAS, the long range interests of the urban area, within or beyond the present city limits, are inseparable in terms of growth, prosperity, amenities, and the efficient and economical provision of public services and facilities by local government; and

WHEREAS, annexation is a process, legally defined in Tennessee Statutes, by which the City of Memphis can grow and serve the people of the urban area; and

WHEREAS, the Mayor and Board of Commissioners of the City of Memphis, Tennessee, deem it to be essential to the health, safety and general welfare of the citizens both of the city and the urbanized fringe areas to undertake an orderly, continuing annexation program.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Board of Commissioners of the City of Memphis, Tennessee, that it shall be the official policy of the City of Memphis to carry out an orderly, continuing annexation program to minimize future governmental and urban service problems, and to ensure a healthy, safe, suitable living environment for residents of the entire urban area.

BE IT FURTHER RESOLVED by the Mayor and Board of Commissioners of the City of Memphis, Tennessee, that the following steps shall be taken to implement this policy:

1. The Memphis and Shelby County Planning Commission is hereby instructed to prepare an informational brochure concerning the annexation study and program and to give it wide public distribution.
2. The City Attorney is hereby instructed to prepare a resolution of intent to annex in accordance with the recommendation of the Memphis and Shelby County Planning Commission, as contained in the report entitled Annexation: A Must for a Growing Memphis (September, 1967) for adoption by the Mayor and Board of Commissioners.
3. The City Engineer is hereby instructed to prepare the necessary legal descriptions for the areas to be annexed.
4. All City operating departments, the Memphis Board of Education and the Memphis Light, Gas and Water Division are hereby instructed to begin making the necessary operational, transitional and budget plans to implement this program.
5. The Memphis and Shelby County Planning Commission is hereby instructed to prepare a plan for services for each area to be annexed, in cooperation with all affected City departments and agencies.
6. The Memphis and Shelby County Planning Commission is hereby instructed to inform the Mayor and Council of the City of Memphis, Tennessee, following their assumption of office on January 1, 1968, of the annexation studies made, the recommendations contained therein; and the official policy adopted by the present governing body of the City of Memphis for proper consideration and subsequent ratification.
7. The Memphis and Shelby County Planning Commission is hereby instructed to maintain a continuing evaluation of progress toward the stated annexation objective, and to report additional findings and recommendations to the Mayor and Council.



8. The Mayor and Council are urged to institute a five-year capital improvement program to ensure proper and timely installation of public facilities, and a balance between capital expenditures within the present city limits and in annexed areas on a priority basis.

BE IT FURTHER RESOLVED by the Mayor and Board of Commissioners of the City of Memphis, Tennessee, that it shall be the official policy of the City of Memphis to work co-operatively with residents of areas to be annexed in identifying their most urgent service needs and planning for the transition of these areas into the City.

This recommended policy statement emphasizes the necessity of future expansion of the city and provision of a high level of urban services as growth continues. It does not propose annexation for the sake of annexation - for simply making the city bigger - but stresses the importance of using this tool as one means of assuring the sound, long range development of the Memphis urban area.

This recommended policy excludes consideration of placing all unincorporated territory in Shelby County on first or second reading for annexation. Such a step has been suggested in reaction to the possible threat of incorporation of several additional, outlying communities (beyond the five-mile limit where Memphis can block incorporation easily by annexation).

By 1990, Memphis and Shelby County will have a population of some 1,300,000. About one-half of the total area of the county will be urbanized. Real needs of people must be met. Service

and fiscal problems of great magnitude must be solved. The future of this community depends heavily on an understanding and acceptance of these probabilities. Playing games (no matter how serious) with annexation and incorporation to achieve lesser objectives can only do the people of this area a disservice.

The City could not reasonably justify a plan for services at this time, nor in the foreseeable future, for the more than 500 square miles of unincorporated territory in Shelby County. Much of this land is and will be used for agricultural and other non-urban purposes for many years. The public necessity for moving toward annexation of all of this area, even as a holding action, would be extremely difficult to justify politically as well as legally.

On the other hand, incorporation of additional small municipalities would fragment local government and create the kinds of problems experienced by most metropolitan areas in the nation. County government and utility districts can continue to supply the limited amount of urban services needed in these outlying areas until they begin to feel the full impact of urbanization. This type of "holding action" has a definite purpose and can meet more nearly the varying needs and demands for services in these outlying areas.

Although 1990 is the target date at present for long range forecasts and planning in Shelby County, it must be recognized that the planning period will be extended every five years to keep a 25-year development goal in front of the community. It is conceivable that the entire county will become urbanized at some unknown future date. The existence of numerous, small incorporated municipalities would be as obstructive to sound growth and development at that time as they would be today in the urbanized area around Memphis.

The other five incorporated municipalities in Shelby County also have a stake in this matter. If they are to progress toward stronger, more viable, self-sustaining communities, they need the ability to grow and serve the areas around them. They are the outlying growth centers, and additional incorporations can harm their interests as much or more than those of the City of Memphis.

#### Conclusion

This report expresses a philosophy of growth and governmental leadership to meet the demands of this growth. It points the way, also, to practical ways of capitalizing on opportunities and minimizing the problems of growth, from the standpoint of local government.

If the recommendations contained in this report are not implemented, urban growth and development will continue and problems will get solved - but the opportunity to do an even better job of managing the urbanization process will have been lost. The cost of action, in dollars and cents, can be measured now - the costs of inaction can only be measured in the future and they will be high. Annexation is a must for a growing Memphis.